

# Government funding for research & development (R&D)

## In Business, Science and Technology

A wide range of research and development (R&D) funding options are available to New Zealand businesses, whether you're just starting out or already a significant R&D investor. Explore some of the options available to help you achieve your innovation goals.

### How can I get help with the costs of my R&D programme?

#### R&D Tax Incentive (RDTI)



- The RDTI offers a 15% tax credit on eligible R&D expenditure.
- It applies across a wide range of industry sectors and to a number of eligible R&D activities.
- Eligible R&D expenditure between \$50,000 and \$120 million per year can be claimed (some exceptions apply).
- A limited form of refundability applies for 2019/2020, mainly for smaller businesses that are R&D intensive and pay little or no income tax. A more comprehensive policy will be in place from 2020/2021.
- The Government will invest \$1 billion into the RDTI over the next four years to encourage New Zealand businesses to spend more on R&D.
- The RDTI can be claimed alongside the R&D loss tax credit. It can also be claimed alongside the other R&D funding options listed below, but not for the same expenditure or for required co-funding.
- The RDTI is administered by Inland Revenue, with support from Callaghan Innovation. Visit [www.rdti.govt.nz](http://www.rdti.govt.nz)

### Is there funding for my business to start doing R&D?

A **Getting Started Grant** is for businesses that are early stage or new to R&D.

- It offers up to \$5,000 for launching an R&D project and navigating roadblocks to commercialisation.
- It covers 40% of costs for R&D conducted in New Zealand.
- A one-off payment is provided at the end of the project.
- You must be a company, limited partner or Māori incorporation/trust.
- Visit Callaghan Innovation for more [www.callaghaninnovation.govt.nz](http://www.callaghaninnovation.govt.nz)

### Is there funding to help my business expand its R&D?

A **Project Grant** covers up to 40% of eligible R&D project costs for businesses new to, or expanding, R&D in New Zealand.

- It's available if you have been performing R&D for less than three years, or have spent less than \$800k on average each year for the last three years.
- You will receive payment in monthly or quarterly arrears.
- You must be a company, limited partner, or Māori incorporation/trust.
- Visit Callaghan Innovation for more [www.callaghaninnovation.govt.nz](http://www.callaghaninnovation.govt.nz)

### Can my R&D tax losses be refunded?

**R&D loss tax credit**

- Up to 28% of a business' tax losses from eligible R&D expenditure may be cashed out (refunded) instead of carrying forward to the next income year.
- A maximum allowable value of \$476,000 applies in the 2019/2020 tax year.
- You can claim the R&D loss tax credit with the RDTI for the same expenditure.
- Visit Inland Revenue for more [www.ird.govt.nz](http://www.ird.govt.nz)

## STUDENT GRANTS

### Is there funding to get short-term, skilled staff for my R&D project?

An **R&D Experience Grant** allows you to hire a tertiary student to support your R&D work during their summer break.

- The student must be NZQA level 7-10 in science, technology, engineering, design or business in New Zealand. They must not be employed by the business or have undertaken more than two Experience Grants there before.
- The business receives funding of \$8,460 plus GST for 400 hours of full time work.
- It's available if you have an active R&D programme and are a company, limited partner or Māori incorporation/trust.
- Visit Callaghan Innovation for more [www.callaghaninnovation.govt.nz](http://www.callaghaninnovation.govt.nz)

### How can I access funded expertise to help with a challenging research project?

An **R&D Fellowship Grant** provides businesses with advanced research at PhD or Masters level to help solve an R&D problem.

- The research is undertaken on site at both the business and the student's university, and is jointly supervised.
- Students receive a stipend (maximum \$26,000 p.a.) and a fee (of \$4,500 p.a.) is paid to the university to support their hosting role.
- Funding is for research activity only, for a maximum of three years for PhD students and two years for Masters students.
- The student must be enrolled at research Masters or PhD level in science, technology, engineering, design or business in New Zealand.
- It's available to businesses that have an active R&D programme. The business must be a company, limited partner or Māori incorporation/trust.
- Visit Callaghan Innovation for more [www.callaghaninnovation.govt.nz](http://www.callaghaninnovation.govt.nz)

### I want to add a highly skilled graduate to my R&D team, is there funding to assist?

An **R&D Career Grant** provides funding for an internship. It allows a PhD or Masters graduate to gain six months experience helping solve an R&D problem.

- The business receives funding for the first six months of the student's annual salary up to \$30,000 for a Masters graduate and up to \$35,000 for a PhD graduate.
- The student must be about to complete, or have completed, a degree in science, technology, engineering, design or business in New Zealand.
- They must have completed their course of study less than 12 months ago and cannot already be employed in the industry.
- You must have an active R&D programme and be a company, limited partner or Māori incorporation/trust.
- Visit Callaghan Innovation for more [www.callaghaninnovation.govt.nz](http://www.callaghaninnovation.govt.nz)

## About us

**Callaghan Innovation** Callaghan Innovation is New Zealand's innovation agency. We activate innovation and help businesses grow faster for a better New Zealand. Talk to us for access to the R&D support you need. Visit Callaghan Innovation [www.callaghaninnovation.govt.nz](http://www.callaghaninnovation.govt.nz)

**Inland Revenue** plays a critical role in improving the economic and social wellbeing of New Zealanders. We collect most of the revenue that the government needs to fund its support programmes and we disburse some programme payments. Visit IR for more [www.ird.govt.nz](http://www.ird.govt.nz)

**CallaghanInnovation**  
New Zealand's Innovation Agency

